

## **Modern Slavery Statement 2017**

**Toyota (GB) PLC (“TGB”) and Toyota Financial Services (UK) PLC (“TFS”) together (“we”), (“us”) have a zero tolerance approach to modern slavery and human trafficking in their respective businesses and supply chains. In September 2016, TGB and TFS jointly published its first Modern Slavery Statement under s.54 of the Modern Slavery Act 2015 (“the Act”). This is our second joint statement and it sets out the actions we have taken to prevent modern slavery and human trafficking in our businesses and supply chain since our first statement was published, for the financial year ended 31 March 2017.**

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

TGB and TFS are fully committed to acting ethically and with integrity in all our business dealings and to putting in place mechanisms to prevent modern slavery in our supply chains. We are always seeking ways to improve our business practices and we are proud of the steps we have taken over the past 12 months to minimise the risk of this behaviour occurring.

### **Modern Slavery Committee**

Since we published our first statement, we have formed a Modern Slavery Committee consisting of senior management from both TGB and TFS to ensure engagement at all levels across both businesses. The Committee's primary responsibility is to set the agenda for compliance on a yearly basis, reviewing best practices and monitoring and reviewing the actions being taken by the businesses.

### **Modern Slavery Policy**

At TGB and TFS we are committed to complying with the letter and spirit of all laws and regulations. Our respective Codes of Conduct set out the principles and standards expected

of all staff and contractors that will help us grow our businesses in a responsible, ethical and sustainable way.

Early in 2017 we launched a specific Modern Slavery Policy which is in addition to our Code of Conduct and Procurement and Whistleblowing Policies (both of which feature aspects of our approach to ethical trading). This policy applies to all staff working for TGB and TFS, in any capacity.

Our Modern Slavery Policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing effective systems and controls thereby ensuring slavery and human trafficking is not taking place anywhere in our supply chains. Our policy sets out the standards and behaviours expected of all staff, particularly when working with suppliers and other business partners.

As with our other policies, our Modern Slavery Policy encourages our employees to be open and accountable, speak up and report any wrongdoing to a confidential, independently operated hotline available to all employees, officers, consultants, contractors and agency workers to voice any concerns that they have, including concerns about slavery and human trafficking.

### **Due Diligence**

Our aim is to ensure that our own high standards for ethical conduct are shared by each and every supplier with which we do business, from the outset of the procurement process.

We carefully select suppliers in accordance with our Procurement Policy and undertake relevant due diligence on new suppliers. As part of the due diligence we ask our suppliers to register and achieve a minimum rating on the Chartered Institute of Purchasing and Supply (CIPS) Sustainability Index. Our suppliers answer set questions on Corporate Social Responsibility and those answers enable us to assess their processes and procedures in relation to modern slavery and human trafficking in their own organisation and supply chain. The ratings achieved are used to help us decide whether or not a supplier should be engaged.

## **Provisions in supplier agreements**

As part of TGB's standard procurement process, we now place obligations on relevant suppliers that require compliance with the Act. Specifically, those suppliers are required to comply with all anti-slavery and human trafficking laws and maintain their own policies and procedures (including the implementation of due diligence procedures) to ensure compliance with the Act. We require suppliers to report any incidents or suspected incidents of modern slavery to us and we reserve the right to terminate our relationship with suppliers if they breach the anti-slavery and human trafficking provisions.

## **Our ongoing commitment**

TGB and TFS understand that we have a responsibility to continue to assess and mitigate the risk of modern slavery throughout our business and supply chains. As part of our work for the next financial year we will monitor the effectiveness of the actions we have already taken over the past 12 months.

Following the publication of our Modern Slavery Policy, we plan to develop the knowledge and understanding of modern slavery around both of our businesses through staff training so that our employees are able to identify and address potential modern slavery risks. We will also continue to monitor our supply chain and prioritise higher risk suppliers for the mitigation measures we implement. We plan to conduct audits of key suppliers in high risk categories to ensure they are compliant and that their CIPS SI rating is reflected in the workplace environment. We will also be making changes to the franchise agreements that we hold with our Toyota and Lexus retail Centres (not owned by TGB) to reflect the standards we expect the retail networks to adhere to in order to help prevent modern slavery. These changes will include: confirmation that the Centre supports compliance with the Act, provides a workplace that is free from offending behaviours and obligates their own relevant suppliers to provide minimum assurances on compliance, including the right to audit. We will provide an update on this and our other planned activities in our next joint statement.

We will always work to the highest professional standards and shall continue our efforts in eliminating acts of modern slavery within our business and supply chain.

This statement is approved by Paul Van der Burgh, President and Managing Director of Toyota (GB) PLC and Doug Gillies, Managing Director of Toyota Financial Services (UK) PLC.

Date of Signature: 21<sup>st</sup> September 2017